REPORT TO THE SHAREHOLDERS
AND
FINANCIAL STATEMENTS
DECEMBER 31, 1965



DELOITTE, PLENDER, HASKINS & SELLS

CHARTERED ACCOUNTANTS

MONTREAL WINDSOR EDMONTON OSHAWA TORONTO
WINNIPEG REGINA
PRINCE GEORGE

HAMILTON CALGARY VANCOUVER

ASSOCIATED FIRMS IN UNITED STATES OF AMERICA, GREAT BRITAIN AND OTHER COUNTRIES THROUGHOUT THE WORLD.

60 OSBORNE STREET NORTH
WINNIPEG 1, CANADA

To the Shareholders of The Fidelity Trust Company:

We have examined the balance sheet of The Fidelity Trust Company as at December 31, 1965 and the statement of income and expense and deficit for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

Assets held for clients' accounts and guaranteed funds are kept separate from the company's own funds and are so earmarked on the books of the company as to show the accounts to which they belong.

In our opinion the accompanying balance sheet and statement of income and expense and deficit present fairly the financial position of the company as at December 31, 1965 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Deloute, Plender, Haskins & Sells.

February 22, 1966

Auditors.

THE FIDELITY THE

(Incorporated by Special Act of

BALANCE SHEET AS AT

(with 1964 figures

	ACCUMO		
	ASSETS	200	
		1965	1964
READILY REALIZABLE ASSETS:			
Cash		30,561	\$ 190,291
Collateral loans		6,600	
Securities at cost (market value 1965	\$1 051 215.	0,000	
	71,031,213,		
1964 \$729,890)	The state of the s		
Canadian and Provincial Government		704,604	466,730
Municipal bonds		34,955	35,950
Corporation bonds		342,428	220,428
Stocks		1,323	560
Interest accrued		13,486	8,525
		142	0,525
Due from Estates, Trusts and Agencies.			
Due from affiliated company		1,551	
Total readily realizal	ole assets	1,135,650	922,484
OTHER ASSETS:			
Mortgages, including accrued interest.		3,551,814	1,636,217
		3,331,014	1,000,217
Mineral rights at nominal value		1	1
Furniture, equipment and leasehold imp			•
cost less accumulated depreciation as	nd amortization	25,855	15,211
Deposits and prepaid expenses		2,064	1,692
Investment in affiliated company - at		3,000	_
and the second s			
Total other assets		2 592 724	1,653,121
Total other assets	• • • • • • • • • • • • • • • • • • • •	3,582,734	1,000,121
Annuared on hehalf of the	Pond.		
Approved on behalf of the	Board:		
N.C.W. WOOD	Director	·	
T P DEDUTING			
J.E. PERKINS	Director		
			AD F75 (OF
TOTALS		\$4,718,384	\$2,575,605
ESTATES, TRUSTS AND AGENCIES:			
Securities, cash and other assets		\$ 118,614	\$ 240,805
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The attached notes are an integ

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he Manitoba Legislature)

l part of the financial statements.

CEMBER 31, 1965

r comparison)

LIABILITIES		
	1965	1964
LIABILITIES: Guaranteed trust deposits and accrued interest Bank loan - secured by pledge of securities Accounts due Due to affiliated company Due to Estates, Trusts and Agencies Deferred revenues	\$3,948,376 239,000 3,478 11,239 - 7,750	\$2,042,530 - 1,936 10,066 715 8,232
Total liabilities	4,209,843	2,063,479
CAPITAL: Capital stock - Note 1: Authorized - 100,000 Class A common shares of a par value of \$10.00 each - 1,000,000 Class B common shares of a par value of \$1.00 each Subscribed - 643,775 Class B shares (in 1964 616,775 shares less \$12,525 unpaid thereon) Reserve	18,000 153,234 508,541	18,000 110,124 512,126
TOTALS	\$4,718,384	\$2,575,605
ESTATES, TRUSTS AND AGENCIES: Assets under administration	\$118,614	\$ 240,805

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Approved on behalf of the Board:
......W.C.W. WOOD...... Director

TES, TRUSTS AND ACENCIES:
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THE FIDELITY TRUST COMPANY

STATEMENT OF INCOME AND EXPENSE AND DEFICIT

FOR THE YEAR ENDED DECEMBER 31, 1965

(with 1964 figures for comparison)

(with 1964 rigures for comparison)		
INCOME		
The second second the mineral leads of the design of the second s	1965	1964
INTEREST EARNED ON: Mortgages, including amortization of discounts Bonds Other	\$206,461 53,687 1,940	\$ 68,403 24,296 3,024
FEES AND COMMISSIONS ON ASSETS UNDER ADMINISTRATION	824	719
OIL LEASE RENTALS	1,418	1,809
OTHER REVENUE: Recoveries on old accounts and sundry Management and placement fees	3,444 1,125	4,852
PROFIT ON SALE OF SECURITIES	3,863	5,557
Total income	272,762	108,660
EXPENSE		
FINANCIAL: Interest paid Mortgage acquisition fees - Note 2 Commissions	160,750 19,919 1,448	47,910 12,429 1,343
ADMINISTRATION AND GENERAL: Salaries and management fee Rent Office supplies and expense Audit and legal	42,179 6,618 6,714 4,655	22,000 2,620 4,217 3,901
Miscellaneous	4,624	2,246
BRANCH OFFICE EXPENSES	36,171	8,656
OTHER: Taxes and licenses	2,176 25,085 3,533 313,872	784 13,109 536 119,751
LOSS FOR THE YEAR	41,110	11,091
ADJUSTMENT OF PRIOR YEAR'S LOSS	2,000	Management of the American Constitution of th
LOSS AFTER ADJUSTMENT OF PRIOR YEAR'S LOSS	43,110	11,091
DEFICIT AT BEGINNING OF YEAR	110,124	99,033
DEFICIT AT END OF YEAR	\$ <u>153,234</u>	\$110,124

The attached notes are an integral part of the financial statements.

THE FIRELITY TRUST COMPANY

STATEMENT OF INCOME AND EXPENSE AND DEFICIT

FOR THE YEAR RUNED ORCEMBER 31, 1969

(with 1964 figures for comparison)

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THE FIDELITY TRUST COMPANY

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1965

- 1. By Special Act of the Manitoba Legislature dated May 11, 1965 the authorized share capital of the company was changed from 1,000,000 common shares of a par value of \$1.00 each to 100,000 Class A common shares of a par value of \$10.00 each and 1,000,000 Class B common shares of a par value of \$1.00 each.
 - During 1965, 27,000 Class B common shares were issued for cash, of which 25,000 shares comprised an offering to shareholders which was fully subscribed.
- 2. It is the company's policy to write off mortgage acquisition fees as incurred, although the benefit thereof is obtained over the term of the mortgage.
- ing preferred shares (331) and common shares (2,407) of a savings and loan company at a price of \$125.00 per share. The proposed method of payment is by exchange of 10 Class A common shares or \$125.00 for each preferred share submitted for exchange and 10 Class A common shares for each common share submitted for exchange. This offer, which expires on March 15, 1966, is subject to ratification by the shareholders of the company and is not effective unless 51% of the common shares are submitted for exchange.

THE SIDELITY PROST CONTARTS NOTES TO THE SIDELICAL STATEMENTS DECEMBER 31 1965

- By Special Act of the Manicoba Degislathre dated May 11, 1965 the authorized abure capital of the company was changed from 1,000,000 common shares of a par value of \$1.00 each to 100,000 Class A common shares of a par value of \$10.00 each an 1,000,000 Class B common shares of a par value of \$1.00 each.
 - During 1965, 27,000 Class & common shares were insued for cash, of which 25,000 shares comprised an offering to shareholders which was fully subscribed,
 - It is the company's policy to write off norigage acquisition fees as incurred, although the benefit thereof is obtained over the term of the mortgage.
- In Fubruary 22, 1966 an offer was made by the company to purchase all the outstanding professed shares (3:1) and common shares (2:407) of a savings and loan company at a price of \$125.00 per share. The proposed cethod of payment is by exchange of 10 Class A common shares or \$125.00 for each preferred share such mitted for exchange and 10 Class A common shares for each common share submitted for exchange. This offer, which expires on March 15, 1966, is subject to ratification by the shareholders of the company and is not effective unless 51% of the common shares are submitted for exchange.



